

Our first care is your health care

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

phone 602 417 4000

801 East Jefferson, Phoenix AZ 85034 PO Box 25520, Phoenix AZ 85002

www.ahcccs.state.az.us

August 23, 2006

The Honorable Ken Bennett, President Arizona State Senate 1700 West Washington Phoenix, AZ 85007

The Honorable Jim Weiers, Speaker Arizona House of Representatives 1700 West Washington Phoenix, AZ 85007

SUBJECT: 13th Month Appropriation Status Report for SFY 2006

Dear President Bennett and Speaker Weiers:

Pursuant to A.R.S. §'s 36-2920 and 36-2994, enclosed is the "13th Month" Appropriation Status Report (ASR) for SFY 2006.

AHCCCS is projecting a \$188.2 million Total Fund (\$47.1 million General Fund) surplus on a total FY 2006 appropriation of \$5.028 billion Total Fund (\$1.040 billion General Fund). The General Fund surplus is comprised of an acute care surplus of \$37.6 million and a \$9.5 million ALTCS surplus. The ALTCS surplus will not be reflected as a General Fund reversion on June 30, 2006. Instead, pursuant to A.R.S. § 11-292.N, it may be deposited into the State General Fund during FY 2007.

The projected \$188.2 million Total Fund (\$47.1 million General Fund) surplus represents an increase of \$0.4 million Total Fund from the \$187.8 million Total Fund surplus reported last month. Please note that this report reflects expenditures paid through the "13th Month" and estimated administrative adjustment period expenditures for the Disproportionate Share Hospital line item and Administration section line items.

Attachment A summarizes the major changes made to the FY 2006 forecast since the September 2005 budget submittal. If you have any questions about this report, please do not hesitate to call Tom Betlach at (602) 417-4483 or Jim Cockerham at (602) 417-4059.

Sincerely,

Anthony D. Rodgers

Director

Enclosure

The Honorable Janet Napolitano, Governor cc:

The Honorable Robert Burns, Chairman, Senate Appropriations Committee

The Honorable Russell Pearce, Chairman, House Appropriations (P) Committee

The Honorable Tom Boone, Chairman, House Appropriations (B) Committee

The Honorable Carolyn Allen, Chairman, Senate Health Committee

The Honorable Doug Quelland, Chairman, House Health Committee

Gary Yaquinto, Director, Governor's Office of Strategic Planning and Budgeting

Richard Stavneak, Director, Joint Legislative Budget Committee

AHCCCS Executive Management

Attachment A

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM SURPLUS (SHORTFALL) ANALYSIS FISCAL YEAR 2006

Statimated Acute Care Shortfall (V-Sep-05) 44/222/400 (721,038,700) (73,050,000) (766,006,500) (74,032,700) (74,		Otata Maral	Expenditure	OLUD E	T.O.F.
Clawback Savings Estimate	Estimated Acute Care Shortfall (V-Sen-05)	State Match	Authority	(3.806.000)	Total Fund
Admin Adj of Acute Care Expenditures 18,938,800 20,835,800 491,200 40,265,800 100,265,800 100,265,800 11,282,300 11,282,300 11,282,300 12,288,000 10,285,800 10,2	Estimated Acute Gale Shortian (V-Sep-03)	(44,222,400)	(121,030,100)	(3,800,000)	(109,000,500)
Agusted Acute Care Shortfall as of Dec-05 (15,132,000) (54,141,200) (3,314,800) (72,588,000) January 2006 Adjusted Rebase 41,077,400 101,801,500 (3,788,900) 139,090,000 Adjusted Acute Care (Shortfall) Surplus (V-Jan,A-06) 27,300,300 49,018,000 (7,103,700) 69,214,600 Feb-March Caseload/Expenditure Adjustments 3,780,300 22,682,400 - 26,462,700 Surplus Tobacco Revenues 5,855,400 (2,603,400) - 3,282,000 Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) 33,684,000 69,097,000 7,103,700) 95,677,300 Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) 33,684,000 69,097,000 7,103,700) 95,677,300 Increase to Clawback Savings (4 Payments in FY06) 2,451,700 - 2,451,700 - 2,451,700 Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) 36,135,700 69,097,000 (7,103,700) 95,677,300 Appropriation Transfers (907,800) (7,688,000) 6,550,000 (2,025,800) DSH Supplemental (5,337,000) (1,345,200) - (5,337,000) Chabacco Revenue Adjustments 1345,200 (1,345,200) - (5,337,000) Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) 37,532,700 72,091,100 414,800 119,095,600 Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) 37,532,700 72,091,100 414,800 119,095,600 Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) 37,575,700 80,713,400 360,900 119,093,600 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 119,093,600 Federal & Tobacco Tax Funding Adjustments 43,000 6,622,300 6,630,000 6,630,000 6,630,000 6,630,000 Adjusted Acute Care (Shortfall) Surplus (V-June-906) 37,575,700 80,713,400 360,900 119,095,500 Adjusted Acute Care (Shortfall) Surplus (V-June-906) 37,575,700 80,713,400 360,900 119,095,500 Adjusted Long Term Care Surplus (V-Dec-05) 43,14,300 26,540,700 - (3,452,600 30,865,000 30,865,000 30,865,000 30,865,000 30,865,000 30,865,000 30,865,000 30,865,000 30,865,000	Clawback Savings Estimate	5,768,800	34,778,800	-	40,547,600
Adjusted Acute Care Shortfall as of Dec-05 15,132,000 (54,141,200 (3,314,800) (72,588,000) January 2006 Adjusted Rebase 41,077,400 101,801,500 (3,788,900) 133,090,000 Increase to Clawback Savings Estimate 1,354,900 1,357,700 - 2,712,600 Adjusted Acute Care (Shortfall) Surplus (V-Jan_A-06) 27,300,300 49,018,000 (7,103,700) 69,214,600 Feb-March Caseload/Expenditure Adjustments 3,780,300 22,882,400 - 26,482,700 5,855,400 (2,603,400) - 22,714,700 29,714,700 36,635,700 20,079,000 - 29,714,700 37,522,000 39,635,700 20,079,000 - 29,714,700 33,684,000 69,097,000 7,103,700) 95,677,300 10,000 33,684,000 69,097,000 7,103,700) 95,677,300 10,000 20				491,200	
January 2006 Adjusted Rebase 41,077,400 101,801,500 3,788,900 139,090,000 Increase to Clawback Savings Estimate 1,354,900 1,357,700 -0 2,712,600 2,712,700 2,712,700 2,712,700 2,712,700 2,712,700 2,712,700 2,712,700 2,712,700 2,7	TWG Reconciliation Recoupment	4,382,800	11,282,300	-	15,665,100
Adjusted Acute Care (Shortfall) Surplus (V-Jan_A-06) 27,300,300 49,018,000 (7,103,700) 69,214,600	Adjusted Acute Care Shortfall as of Dec-05	(15,132,000)	(54,141,200)	(3,314,800)	(72,588,000)
Adjusted Acute Care (Shortfall) Surplus (V-Jan_A-06) Feb-March Caseload/Expenditure Adjustments Surplus Tobacco Revenues Surplus Tobacco Revenue Adjustments Surplus (V-Mar-06)	January 2006 Adjusted Rebase	41,077,400	101,801,500	(3,788,900)	139,090,000
Peb-March Caseload/Expenditure Adjustments	Increase to Clawback Savings Estimate	1,354,900	1,357,700	-	2,712,600
Supplus Tobacco Revenues	Adjusted Acute Care (Shortfall) Surplus (V-Jan_A-06)	27,300,300	49,018,000	(7,103,700)	69,214,600
MSA Shortfall 9,635,700 20,079,000 - 29,714,700 MSA Shortfall (3,252,000) - - (3,252,000) Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) 33,684,000 69,097,000 (7,103,700) 95,677,300 Increase to Clawback Savings (4 Payments in FY06) 2,451,700 - - 2,451,700 Adjusted Acute Care (Shortfall) Surplus (V-Apr-06) 36,135,700 69,097,000 (7,103,700) 98,129,000 Appropriation Transfers (907,800) (7,668,000) 6,550,000 (2,025,800) DSH Supplemental (5,337,000) - - (5,337,000) Tobacco Revenue Adjustments (5,337,000) - - - - (5,337,000) - - - - (5,337,000) - - - (5,337,000) -	Feb-March Caseload/Expenditure Adjustments	3,780,300	22,682,400	-	26,462,700
MSA Shortfall (3,252,000) - - (3,252,000) Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) 33,684,000 69,097,000 (7,103,700) 95,677,300 Increase to Clawback Savings (4 Payments in FY06) 2,451,700 - - 2,451,700 Adjusted Acute Care (Shortfall) Surplus (V-Apr-06) 36,135,700 69,097,000 (7,103,700) 98,129,000 Appropriation Transfers (907,800) (7,668,000) 6,550,000 (2,025,800) DSH Supplemental (5,337,000) - - (5,337,000) DSH Supplemental (5,337,000) - - (5,337,000) May Caseload/Expenditure Adjustments 6,296,600 12,007,300 968,500 19,272,400 Adjusted Acute Care (Shortfall) Surplus (V-May-06) 37,532,700 72,091,100 414,800 110,038,600 June Caseload/Expenditure Adjustments 43,000 8,622,300 (53,900) 8,611,400 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment - <t< td=""><td></td><td>5,855,400</td><td>(2,603,400)</td><td>-</td><td>3,252,000</td></t<>		5,855,400	(2,603,400)	-	3,252,000
Adjusted Acute Care (Shortfall) Surplus (V-Mar-06) Increase to Clawback Savings (4 Payments in FY06) Adjusted Acute Care (Shortfall) Surplus (V-Apr-06) Adjusted Acute Care (Shortfall) Surplus (V-Apr-06) Appropriation Transfers (907,800) (7,668,000) (5,500,000 (2,025,800) BSH Supplemental (5,337,000) (5,337,000) Tobacco Revenue Adjustments (5,337,000) (5,337,000) May Caseload/Expenditure Adjustments (6,296,600 12,007,300 968,500 19,272,400) Adjusted Acute Care (Shortfall) Surplus (V-May-06) 37,532,700 72,091,100 414,800 110,036,600 June Caseload/Expenditure Adjustments 43,000 8,622,300 (53,900) 8,611,400 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06) 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400		9,635,700	20,079,000	-	29,714,700
Increase to Clawback Savings (4 Payments in FY06) 2,451,700 - 2,451,700	MSA Shortfall	(3,252,000)	-	-	(3,252,000)
Adjusted Acute Care (Shortfall) Surplus (V-Apr-06) Appropriation Transfers (907,800) (7,668,000) (5,550,000 (2,025,800) DSH Supplemental (5,337,000) (5,337,000) Tobacco Revenue Adjustments (1,345,200) (1,345,200) 968,500 19,272,400 May Caseload/Expenditure Adjustments (1,397,000) 2,994,100 7,518,500 11,099,600 Adjusted Acute Care (Shortfall) Surplus (V-May-06) 37,532,700 72,091,100 414,800 110,038,600 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment - 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06) 37,575,700 81,158,900 360,900 119,095,500 Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Administrative Adjustment 10,159,800 20,948,200 - 31,108,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 9,433,300 January 2006 Adjusted Rebase 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 8,412,700	Adjusted Acute Care (Shortfall) Surplus (V-Mar-06)	33,684,000	69,097,000	(7,103,700)	95,677,300
Appropriation Transfers (907,800) (7,668,000) 6,550,000 (2,025,800) DSH Supplemental (5,337,000) (5,337,000) Tobacco Revenue Adjustments 1,345,200 (1,345,200) (5,337,000) Tobacco Revenue Adjustments 1,345,200 (1,345,200) (1,345,200) Tobacco Revenue Adjustments 1,345,200 (1,345,200) (1,345,200) Tobacco Revenue Adjustments 1,397,000 (1,207,300) 968,500 (1,207,300) 968,500 (1,207,300) 968,500 (1,207,300) Policy (1,200,300) Policy (1,200,300,300) Policy (1,200,300) Policy	Increase to Clawback Savings (4 Payments in FY06)	2,451,700	-	-	2,451,700
DSH Supplemental (5,337,000) - - (5,337,000) Tobacco Revenue Adjustments 1,345,200 (1,345,200) 968,500 19,272,400 May Caseload/Expenditure Adjustments 1,397,000 2,994,100 7,518,500 11,909,600 Adjusted Acute Care (Shortfall) Surplus (V-May-06) 37,532,700 72,091,100 414,800 110,038,600 June Caseload/Expenditure Adjustments 43,000 8,622,300 (53,900) 8,611,400 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment - 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06)¹ 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase 2,854,600	Adjusted Acute Care (Shortfall) Surplus (V-Apr-06)	36,135,700	69,097,000	(7,103,700)	98,129,000
DSH Supplemental (5,337,000) - - (5,337,000) Tobacco Revenue Adjustments 1,345,200 (1,345,200) 968,500 19,272,400 May Caseload/Expenditure Adjustments 1,397,000 2,994,100 7,518,500 11,909,600 Adjusted Acute Care (Shortfall) Surplus (V-May-06) 37,532,700 72,091,100 414,800 110,038,600 June Caseload/Expenditure Adjustments 43,000 8,622,300 (53,900) 8,611,400 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment - 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06)¹ 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase 2,854,600	Appropriation Transfers	(907.800)	(7.668.000)	6.550.000	(2.025.800)
Tobacco Revenue Adjustments			-	-	
Subtotal May Adjustments 1,397,000 2,994,100 7,518,500 11,909,600 Adjusted Acute Care (Shortfall) Surplus (V-May-06) 37,532,700 72,091,100 414,800 110,038,600 June Caseload/Expenditure Adjustments 43,000 8,622,300 (53,900) 8,611,400 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment - 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06) ¹ 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 </td <td>Tobacco Revenue Adjustments</td> <td></td> <td>(1,345,200)</td> <td>-</td> <td>-</td>	Tobacco Revenue Adjustments		(1,345,200)	-	-
Adjusted Acute Care (Shortfall) Surplus (V-May-06) 37,532,700 72,091,100 414,800 110,038,600 June Caseload/Expenditure Adjustments 43,000 8,622,300 (53,900) 8,611,400 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment - 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06)¹ 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase Increase to Clawback Savings Estimate 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expen					
June Caseload/Expenditure Adjustments 43,000 8,622,300 (53,900) 8,611,400 Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment - 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06) ¹ 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Administrative Adjustment 10,159,800 20,948,200 - 31,108,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591	Subtotal May Adjustments	1,397,000	2,994,100	7,518,500	11,909,600
Adjusted Acute Care (Shortfall) Surplus (V-June-06) 37,575,700 80,713,400 360,900 118,650,000 Federal & Tobacco Tax Funding Adjustment - 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06)¹ 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Administrative Adjustment 10,159,800 20,948,200 - 31,108,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Adjusted Acute Care (Shortfall) Surplus (V-May-06)	37,532,700	72,091,100	414,800	110,038,600
Federal & Tobacco Tax Funding Adjustment - 445,500 - 445,500 Adjusted Acute Care (Shortfall) Surplus (V-June 99-06)¹ 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Administrative Adjustment 10,159,800 20,948,200 - 31,108,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 9,433,300 January 2006 Adjusted Rebase Increase to Clawback Savings Estimate 2,854,600 6,578,700 - 9,433,300 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	June Caseload/Expenditure Adjustments	43,000	8,622,300	(53,900)	8,611,400
Adjusted Acute Care (Shortfall) Surplus (V-June 99-06)¹ 37,575,700 81,158,900 360,900 119,095,500 Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Administrative Adjustment 10,159,800 20,948,200 - 31,108,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Adjusted Acute Care (Shortfall) Surplus (V-June-06)	37,575,700	80,713,400	360,900	118,650,000
Long Term Care (V-Sep-05) (6,524,900) (12,380,700) - (18,905,600) Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Administrative Adjustment 10,159,800 20,948,200 - 31,108,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Federal & Tobacco Tax Funding Adjustment	-	445,500	-	445,500
Clawback Savings Estimate 679,400 17,973,200 - 18,652,600 Administrative Adjustment 10,159,800 20,948,200 - 31,108,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase Increase to Clawback Savings Estimate 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Adjusted Acute Care (Shortfall) Surplus (V-June 99-06) ¹	37,575,700	81,158,900	360,900	119,095,500
Administrative Adjustment 10,159,800 20,948,200 - 31,108,000 Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase Increase to Clawback Savings Estimate 2,854,600 6,578,700 - 9,433,300 Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Long Term Care (V-Sep-05)	(6,524,900)	(12,380,700)	-	(18,905,600)
Adjusted Long Term Care Surplus (V-Dec-05) 4,314,300 26,540,700 - 30,855,000 January 2006 Adjusted Rebase Increase to Clawback Savings Estimate 2,854,600 6,578,700 - 9,433,300 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Clawback Savings Estimate			-	
January 2006 Adjusted Rebase Increase to Clawback Savings Estimate 2,854,600 974,100 - 9,433,300 - 974,100 - 9,433,300 - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Administrative Adjustment	10,159,800	20,948,200	-	31,108,000
Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Adjusted Long Term Care Surplus (V-Dec-05)	4,314,300	26,540,700	-	30,855,000
Increase to Clawback Savings Estimate 974,100 - - 974,100 Adjusted Long-Term Care Surplus (V-Jan-06) 8,143,000 33,119,400 - 41,262,400 Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	January 2006 Adjusted Rebase	2,854,600	6,578,700	-	9,433,300
Feb-March Caseload/Expenditure Adjustments 2,821,300 5,591,400 - 8,412,700	Increase to Clawback Savings Estimate	974,100	-	-	974,100
	Adjusted Long-Term Care Surplus (V-Jan-06)	8,143,000	33,119,400	-	41,262,400
Adjusted Long-Term Care Surplus (V-Mar-06) 10,964,300 38,710,800 - 49,675,100	Feb-March Caseload/Expenditure Adjustments	2,821,300	5,591,400	-	8,412,700
	Adjusted Long-Term Care Surplus (V-Mar-06)	10,964,300	38,710,800	_	49,675,100

Attachment A

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM SURPLUS (SHORTFALL) ANALYSIS FISCAL YEAR 2006

	State Match	Expenditure Authority	CHIP Fund	Total Fund	
		,			
Increase to Clawback Savings (4 Payments in FY06)	1,763,300	-	-	1,763,300	
April Caseload/Expenditure Adjustments	6,250,400	12,826,900	-	19,077,300	
Adjusted Long-Term Care Surplus (V-May-06)	18,978,000	51,537,700	-	70,515,700	
June Caseload/Expenditure Adjustments	102,400	(1,509,700)	-	(1,407,300)	
Adjusted Long-Term Care Surplus (V-June-06) ²	19,080,400	50,028,000	-	69,108,400	
GRAND TOTAL AHCCCS (V-June 99-06) ³	56,656,100	131,186,900	360,900	188,203,900	

NOTES:

- 1) The Acute Care Surplus includes \$9.6 million of estimated clawback savings.
- 2) The Long-Term Care surplus is a state match amount that includes GF and County funds. It also includes \$3.4 million of estimated clawback savings. Pursuant to ARS 11-292.N the surplus will be distributed equally to the counties and the state.
- 3) The June 99 General Fund Surplus amount reported on page 3 of the ASR Report consists of:

Acute Care total from above	37,575,700
50% of the ALTCS total from above	9,540,200
Total General Fund Surplus	47,115,900

Arizona Health Care Cost Containment System

Appropriation Status Report (ASR)

Fiscal Year 2006

Through June 99, 2006

AHCCCS

Prepared by: Division of Business and Finance

Arizona Health Care Cost Containment System Appropriation Status Report Table of Contents

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APPROPRIATION STATUS REPORT

APPROPRIATED SOURCES AND USES OF FUNDS





FY 2006 APPROPRIATION STATUS REPORT For the Period Ending June 99, 2006 SUMMARY OF APPROPRIATED EXPENDITURES

AHCCCS	ANNUAL APPROPRIATION	(A) EXPENDITURE PLAN YTD	(B) EXPENDITURES YTD	(A) - (B) VARIANCE YTD	PROJECTED ANNUAL EXPENDITURES	ANNUALIZED VARIANCE
PPROPRIATIONS:						
ADMINISTRATION						
AHCCCS Operating	\$ 65,388,500	\$ 65,388,500	\$ 63,724,216	\$ 1,664,284	\$ 65,388,500	\$ -
AHCCCS Prop 204 Administration	10,344,800	10,344,800	10,096,803	247,997	10,344,800	-
DOA Data Center	7,734,100	7,734,100	7,004,469	729,631	7,734,100	-
Office of Administrative Hearings	246,400	246,400	220,946	25,454	246,400	-
DES Eligibility	52,537,200	52,537,200	49,206,133	3,331,067	52,537,200	-
DES Prop 204 Eligibility	31,670,700	31,670,700	26,846,200	4,824,500	31,670,700	-
DES Title XIX Pass-Through	325,800	325,800	270,809	54,991	325,800	-
Healthcare Group	3,638,600	3,638,600	3,465,793	172,807	3,638,600	-
Indian Advisory Council	214,900	214,900	150,932	63,968	214,900	-
CHIP - Administration	8,769,800	8,769,800	8,629,671	140,129	8,769,800	-
Medicare Clawback Payments	13,013,400	13,013,400	13,013,377	23	13,013,400	
TOTAL ADMINISTRATION	193,884,200	193,884,200	182,629,349	11,254,851	193,884,200	-
CUTE CARE						
Acute Capitation	1,681,920,000	1,681,920,000	1,681,627,870	292,130	1,681,627,900	292,100
Reinsurance	105,830,200	105,830,200	85,000,144	20,830,056	85,000,100	20.830.100
Fee-For-Service	435,207,900	435,207,900	403,425,312	31,782,588	403,425,300	31,782,600
Medicare Premiums	79,440,900	79,440,900	79,430,323	10.577	79.430.300	10.600
Breast and Cervical Cancer	702,300	702,300	553,982	148,318	554,000	148,300
Freedom to Work	5,308,800	5,308,800	5,141,326	167,474	5,141,300	167,500
Prop 204 Capitation	927,959,500	927,959,500	923,014,116	4,945,384	923,014,100	4,945,400
Prop 204 Reinsurance	109,259,800	109,259,800	79,157,399	30,102,401	79,157,400	30,102,400
Prop 204 Fee-For-Service	161,027,800	161,027,800	130,816,436	30,211,364	130,869,900	30,157,900
Prop 204 Medicare Premiums	23,805,000	23,805,000	23,669,666	135,334	23,669,700	135,300
Prop 204 County Hold Harmless	4,825,600	4,825,600	4,825,600	-	4,825,600	-
KidsCare - Children Services	88,637,200	88,637,200	88,324,882	312,318	88,326,300	310,900
KidsCare - Parents Services	42,031,000	42,031,000	41,820,760	210,240	41,820,800	210,200
Disproportionate Share Hospital	138,354,400	138,354,400	112,206,700	26,147,700	138,354,400	-
Graduate Medical Education	21,820,000	21,820,000	21,820,000	-	21,820,000	-
Critical Access Hospitals	1,702,000	1,702,000	1,699,775	2,225	1,699,800	2,200
Rural Hospital Reimbursement	12,158,100	12,158,100	12,158,100		12,158,100	<u> </u>
TOTAL ACUTE	3,839,990,500	3,839,990,500	3,694,692,390	145,298,110	3,720,895,000	119,095,500
ONG TERM CARE						
LTC - Lump Sum Appropriation	993,939,000	993,939,000	924,830,620	69,108,380	924,830,600	69,108,400
LTC - Board of Nursing	339,200	339,200	339,200	-	339,200	-
TOTAL LONG TERM CARE	994,278,200	994,278,200	925,169,820	69,108,380	925,169,800	69,108,400
OTAL EXPENDITURES	\$ 5,028,152,900	\$5,028,152,900	\$4,802,491,559	\$ 225,661,341	\$ 4,839,949,000	\$ 188,203,900

FY 2006 APPROPRIATION STATUS REPORT For the Period Ending June 99, 2006 APPROPRIATED EXPENDITURES BY FUNDING SOURCE

ſ		EXPENDITURE			PROJECTED		
	ANNUAL	PLAN	EXPENDITURES	VARIANCE	ANNUAL	ANNUALIZED	
	APPROPRIATION / BUDGET	YTD	YTD	YTD	EXPENDITURES	VARIANCE	
Г	STATE - GENERAL FUND						
A destricted the Common differen	\$ 70,399,400	\$ 70,399,400	\$ 69,349,230	\$ 1,050,170	\$ 70,399,400	\$ -	
Administrative Expenditures Proposition 204 - Administrative Expenditures	18,826,300	\$ 70,399,400 18,826,300	\$ 69,349,230 18,793,625	32,675	18,826,300	Ф	
CHIP - Administration	2,008,100	2,008,100	1,973,233	34,867	2,008,100	-	
	2,006,100	2,008,100	1,973,233	34,007	2,008,100	-	
Programmatic Expenditures	000 007 500	000 007 500	004.004.004	00.050.470	040 400 000	44.040.000	
Acute Care - General Fund	628,337,500	628,337,500	604,981,321 164,683,676	23,356,179 22,498,524	613,420,600 164,683,600	14,916,900	
Proposition 204 - Acute Care General Fund Long Term Care - General Fund	187,182,200 106,237,900	187,182,200 106,237,900	99,698,636	6,539,264	96,697,700	22,498,600 9,540,200	
CHIP - Services	18,937,500	18,937,500	18,833,560	103,940	18,835,000	102,500	
CHIP - Parents Services	8,935,700	8,935,700	8,877,957	57,743	8,878,000	57,700	
TOTAL GF EXPENDITURES	1,040,864,600	1,040,864,600	987,191,238	53,673,362	993,748,700	47,115,900	
TOTAL OF EXPENDITORES	1,040,804,000	1,040,004,000	907, 191,230	33,073,302	333,740,700	47,113,900	
	FEDERAL						
Administrative Expenditures	69,060,900	69,060,900	64,241,652	4,819,248	69,060,900	-	
Proposition 204 - Administrative Expenditures	20,793,800	20,793,800	18,149,378	2,644,422	20,793,800	-	
CHIP - Administration	6,761,700	6,761,700	6,656,438	105,262	6,761,700	-	
Programmatic Expenditures							
Acute Care	1,729,486,500	1,729,485,000	1,672,422,781	57,062,219	1,691,188,100	38,298,400	
Proposition 204 - Acute Care - Title XIX	846,224,700	846,224,700	806,570,661	39,654,039	806,552,600	39,672,100	
Long Term Care - ALTCS Fund	669,302,200	669,302,200	619,104,555	50,197,645	619,274,200	50,028,000	
CHIP - Services	64,184,100	63,724,500	62,591,339	1,133,161	63,975,700	208,400	
CHIP - Parents Services	30,206,600	29,965,900	29,793,316	172,584	30,054,100	152,500	
TOTAL FEDERAL EXPENDITURES	3,436,020,500	3,435,318,700	3,279,530,121	155,788,579	3,307,661,100	128,359,400	
١	COUNTY						
Administrative Expenditures Proposition 204 - BNCF	2,395,400	2,395,400	-	2,395,400	2,395,400	_	
Programmatic Expenditures	2,333,400	2,333,400		2,555,400	2,333,400		
Acute Care	62,635,700	62,635,700	62,635,700		62,635,700		
Long Term Care	218,738,100	218,738,100	205,274,108	13,463,992	209,197,900	9,540,200	
TOTAL COUNTY EXPENDITURES	283,769,200	283,769,200	267,909,808	15,859,392	274,229,000	9,540,200	
TOTAL COUNTY EXPENDITORES	283,789,200	203,703,200	207,909,000	13,033,332	274,229,000	9,340,200	
[TOBACCO FUNDS						
Programmatic Expenditures							
Acute Care - Medically Needy	61,772,100	61,772,100	61,772,100	-	61,772,100	-	
Proposition 204 - Medically Needy	17,356,700	17,356,700	17,356,700	-	17,356,700	-	
Proposition 204 - Emergency Health Services	27,922,900	27,922,900	27,922,900	-	27,922,900	-	
Proposition 204 - Proposition 204 Protection	58,638,000	58,638,000	58,584,489	53,511	58,638,000	-	
Proposition 204 - ATLSF	89,553,200	89,553,200	86,364,790	3,188,410	86,364,800	3,188,400	
Tobacco Sources Revenue Surplus/(Deficit) - Note 6	-			-,,		-,,	
TOTAL TOBACCO EXPENDITURES	255,242,900	255,242,900	252,000,979	3,241,921	252,054,500	3,188,400	
г	OTHER						
Administrative Expenditures - HCG	OTHER 3,638,600	3,638,600	3,465,793	172,807	3,638,600		
Programmatic Expenditures	3,030,000	3,030,000	3,403,793	112,001	3,030,000	-	
Acute Care - TPL	194,700	194,700	1,229,696	(1,034,996)	194,700	-	
Long Term Care - TPL	-	-	1,092,520	(1,092,520)	-	-	
CHIP Premiums	5,515,600	5,975,200	6,899,982	(924,782)	5,515,600	_	
CHIP Parents Premiums	2,888,700	3,129,400	3,149,487	(20,087)	2,888,700	-	
Freedom to Work Premiums	18,100	19,600	21,933	(2,333)	18,100	-	
TOTAL OTHER EXPENDITURES	12,255,700	12,957,500	15,859,411	(2,901,911)	12,255,700	-	
r	TOTAL			,			
L	IUIAL						
Administrative Expenditures	193,884,200	193,884,200	182,629,349	11,254,851	193,884,200	-	
Acute Care	3,839,990,500	3,839,990,500	3,694,692,390	145,298,110	3,720,895,000	119,095,500	
Long Term Care	994,278,200	994,278,200	925,169,820	69,108,380	925,169,800	69,108,400	
TOTAL EXPENDITURES	\$ 5,028,152,900	\$ 5,028,152,900	\$ 4,802,491,559	\$ 225,661,341	\$ 4,839,949,000	\$ 188,203,900	

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM FY 2006 APPROPRIATION STATUS REPORT APPROPRIATED REVENUE RECEIVED DETAIL SCHEDULE For the Period Ending June 99, 2006

	BUDGET	BUDGET YTD	RECEIPTS YTD
GENERAL FUND:			
Acute & Administrative	\$ 698,736,900	\$ 698,736,900	\$ 674,330,551
Proposition 204 - Acute & Administrative	206,008,500	206,008,500	179,174,001
LTC	106,237,900	106,237,900	106,238,036
CHIP	20,945,600	20,945,600	20,806,793
CHIP Parents	8,935,700	8,935,700	8,877,957
TOTAL	1,040,864,600	1,040,864,600	989,427,338
EDERAL:			
Acute & Administrative	1,798,547,400	1,798,545,900	1,754,168,204
Proposition 204 - Acute & Administrative	867,018,500	867,018,500	806,388,546
LTC	669,302,200	669,302,200	619,104,555
CHIP	70,945,800	70,486,200	69,246,221
CHIP Parents	30,206,600	29,965,900	29,772,299
TOTAL	3,436,020,500	3,435,318,700	3,278,679,825
COUNTY:			
Acute & Administrative	65,031,100	65,031,100	65,074,919
LTC	218,738,100	218,738,100	218,738,100
TOTAL	283,769,200	283,769,200	283,813,019
TOBACCO FUNDS:			
Acute Care	61,772,100	61,772,100	61,772,100
Proposition 204 - Acute Care	193,470,800	193,470,800	194,532,179
TOTAL	255,242,900	255,242,900	256,304,279
OTHER:			
Healthcare Group	3,638,600	3,638,600	3,465,793
Acute TPL - Note 1	194,700	194,700	1,229,696
LTC TPL - Note 1	-	-	1,092,520
KidsCare TPL - Note 1		-	922
Member Premiums - CHIP	5,515,600	5,975,200	6,899,982
Member Premiums - CHIP Parents Member Premiums - Freedom to Work	2,888,700 18,100	3,129,400 19,600	3,149,487 21,933
TOTAL	12.255.700	12.957.500	15.860.333
. •	12,230,730	12,001,000	10,000,000
TOTAL REVENUE	\$ 5,028,152,900	\$ 5,028,152,900	\$ 4,824,084,795
	. , ., ., . ,	. , ., . ,	

APPROPRIATION STATUS REPORT

FOOTNOTES



Note 1: Third Party Liability revenues collected:	Ju	ıne 99, 2006	June	e 99, 2005	J	uly 1, 2005	Ju	ıly 1, 2004
Gross Collections:					Ju	ne 99, 2006	Jui	ne 99, 2005
Acute TPL	\$	1,221,880	\$	-	\$	4,904,775	\$	2,345,854
LTC TPL		283,726		-		3,335,428		2,210,992
KidsCare TPL		646		-		4,395		14,714
Total TPL Collections	\$	1,506,252	\$	-	\$	8,244,598	\$	4,571,560
Net Collections(Net of Federal Share):	¢	240.042	¢		œ.	4 220 606	œ	700 117
Acute TPL	\$	349,942	\$	-	\$	1,229,696	\$	780,117
LTC TPL		85,461		-		1,092,520		625,288
KidsCare TPL		141		-		922		3,720
Total State Share	\$	435,544	\$	-	\$	2,323,139	\$	1,409,125

Note 2: Authorized Positions 1,472.3 1
Actual Positions as of June 30, 2006 1,297.4

¹ The Authorized Positions total does not include 13 HIFA Parents Program FTE that were inadvertently not included when the programs were restored during the FY 2004 budget deliberations.

Note 3: Intergovernmental Service Agreement - State of Hawaii:

Beginning Balance July 1, 2005	\$ 2,066,960
Revenues Transfers-In	 7,333,483 263,076
Total Revenues	7,596,559
Expenditures	5,867,471
Transfers-out	 917,866
Total Expenditures	6,785,337
Ending Balance June 99, 2006	\$ 2,878,182

Of the \$2,878,182 ending balance, \$1,262,580 represents restricted cash advances from the State of Hawaii for the projected expenditures through August 2006.

Note 4: General Fund savings resulting from the HIFA One waiver:

	June 99, 2006	July 1, 2005 June 99, 2006
AHCCCS DHS - Behavioral Health Services DHS - Children's Rehabilitative Services	\$ (2,577,708) - -	\$ 2,957,505 2,092,781 2,341
Total HIFA State Savings	\$ (2,577,708)	\$ 5,052,627

Note 5: Administrative adjustment activity transfering expenditures with Fiscal Year 2005 dates of service back to Fiscal Year 2005:

	Oct	ober	Nove	ember	December		To	otal
	State	Total	State	Total	State	Total	State	Total
	Match	Fund	Match	Fund	Match	Fund	Match	Fund
ACUTE CARE								
Acute Capitation	\$ 6,014,606	\$ 8,821,685			\$ -	\$ (649,047)	\$ 6,014,606	\$ 8,172,638
Fee-For-Service	644,219	4,237,617				,	644,219	4,237,617
Medicare Premiums	7,846	91,048					7,846	91,048
Breast and Cervical Cancer	295	1,296					295	1,296
Freedom to Work	4,498	13,818			1,077	1,077	5,575	14,896
Prop 204 Capitation	12,085,691	19,411,518					12,085,691	19,411,518
Prop 204 Fee-For-Service	2,558	7,656,549					2,558	7,656,549
Prop 204 Reinsurance					-	11,057	-	11,057
KidsCare - Children Services	82,639	359,211	9,010	38,988	1,508	6,525	93,157	404,723
KidsCare - Parents Services	51,313	226,099	7,573	12,428	25,996	25,996	84,883	264,524
LONG TERM CARE								
LTC - Lump Sum Appropriation			10,159,754	31,107,921			10,159,754	31,107,921
Total	\$ 18,893,665	\$ 40,818,843	\$ 10,176,337	\$ 31,159,337	\$ 28,582	\$ (604,391)	\$ 29,098,584	\$ 71,373,788

Note 6: The following is a summary of actual and projected tobacco funds revenue favorable (unfavorable) variances that are included in the General Fund surplus. As of June 99, 2006, the actual year to date favorable revenue surplus has been expended resulting in actual General Fund savings.

Fund Source

Emergency Health Services Proposition 204 Protection Tobacco Litigation Settlement

Actual Available	
Revenue Surplus/(Deficit	t

2,394,900 5,096,800 (3,188,400)

\$ 4,303,300

Pursuant to A.R.S. §'s 36-776, 36-778, and 36-2901.02, the above revenue amounts received in excess of the legislative allocation have been used to fully fund programs and services required per § 36-2901.01.